

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE FOR THE
STATE OF TENNESSEE**

RECEIVED
2003 JUN 12 PM 3:10
SECRETARY OF STATE

TENNESSEE SECURITIES DIVISION,)
Petitioner,)
)
v.)
)
ACL, INC.,)
CAPITAL ENHANCEMENT)
OPPORTUNITIES,)
UNITED SERVICES,)
PROSPER INTERNATIONAL LEAGUE LTD.,)
OFFSHORE ROLL PROGRAM REPORT)
NUMBER 5599,)
FASTGOLD.NET, and)
JOHN L. HILL, II,)
Respondents.)

No.: 12.06-028558J

AGREED ORDER

The Tennessee Securities Division ("Division"), Petitioner, and Respondent Fastgold.Net (hereinafter collectively referred to as the "Respondent") agree to the entry of this Agreed Order in accordance with the Tenn. Code Ann. § 48-2-116 of the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. §§ 48-2-101, *et seq.*, which states that the Commissioner of Commerce and Insurance ("Commissioner") from time to time may make such orders as are necessary to carry out the provisions of the Act.

GENERAL STIPULATIONS

It is expressly understood by all parties that this Agreed Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. Respondent, while neither admitting nor denying the allegations set forth herein, executes this Consent Order solely for the purpose of avoiding further administrative action with respect to this cause. This Agreed Order is executed by the Respondent for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Agreed Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3. Respondent fully understands that this Agreed Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Agreed Order for facts and/or omissions that do not arise from the facts or transactions herein addressed, nor does it preclude additional proceedings by the Commissioner against the Respondent based upon these facts or transactions herein addressed by some other Division of the Commissioner.

4. Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of or to otherwise challenge or contest the validity of the Agreed Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Agreed Order by the Commissioner.

5. The Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. §§ 48-2-101, *et seq.* (“Act”), places the responsibility for the administration of the Act on the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility. Tenn. Code Ann. § 48-2-115.

FINDINGS OF FACT

6. John Lewis Hill, II, (“Hill”) is a citizen and resident of the State of Tennessee, whose address is located at 717 Claybrook Drive, Savannah, Tennessee 38372. Hill has never been registered as a broker-dealer, agent of a broker-dealer, investment adviser or agent of an investment adviser with the Division.

7. ACL, Inc. (“ACP”) is a business entity whose address and principal place of business is 717 Claybrook Drive, Savannah, Tennessee 38372. ACL has never been registered as a broker-dealer, agent of a broker-dealer, investment adviser or agent of an investment adviser with the Division.

8. Capital Enhancement Opportunities (“CEO”) is a business entity whose address and principal place of business is 30 Topsy Lane, Savannah, Tennessee 38372. Hill is the president, Chief Executive Officer, and “Portfolio Manager” of CEO. CEO has never been registered as a broker-dealer, agent of a broker-dealer, investment adviser or agent of an investment adviser with the Division.

9 United Services ("UServ") is a business entity whose address and principal place of business is 717 Claybrook Drive, Savannah, Tennessee 38372. UServ has never been registered as a broker-dealer, agent of a broker-dealer, investment adviser or agent of an investment adviser with the Division.

10 Profit International League Limited ("PILL") is a business entity whose address and principal place of business is P.O. Box 1870, Winter Park, Florida 32970-1870. PILL has never been registered with the Division as a broker-dealer, investment adviser or agent thereof.

Offshore Roll Program Report Number 5599 ("ORPR") is a business entity with its principal place of business located at 30 Topsy Lane, Savannah, Tennessee 38372. ORPR has never been registered with the Division as a broker-dealer, investment adviser or agent thereof.

12. Fastgold.Net ("FG") is a business entity whose address and state of incorporation is located at 330 South Decatur, Suite 214, Las Vegas, Nevada 89107 . FG has never been registered with the Division as a broker-dealer, investment adviser or agent thereof.

13 Hill attempted to operate a prime bank note and/or promissory note scheme via the Internet and, through email, solicited members of the public to invest with ACI, CEO, UServ, PILL, and/or ORPR. Hill included a hyperlink on his website to FG, without any further explanation as to why such hyperlink was included.

14. The hyperlink to FG on Hill's website was included by Hill without the permission or approval of FG.

15. FG has provided information to the Division to the effect that it has never solicited or conducted any investment-related business from, in or into this State and that it shall not do so at any time in the future without first complying with all applicable provisions of the Act and the rules and regulations promulgated thereunder.

CONCLUSIONS OF LAW

16. Pursuant to Tennessee Code Annotated § 48-2-115(a), the responsibility for the administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

17. Pursuant to Tennessee Code Annotated § 48-2-116, the Commissioner may make, promulgate, amend, and rescind such orders as are necessary to carry out the provisions of this Act and that such order is in the public interest, necessary for the protection of investors and consistent with the purposes fairly intended by the policy and provision of the Act

18. Tennessee Code Ann. § 48-2-109(a) provides that it is unlawful for any person to transact business from or in this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part.

19. Tenn. Code Ann. § 48-2-109(e) provides that the Commissioner may, after notice and an opportunity for a hearing under the Uniform Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any regulation, rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars (\$10,000.00) per violation.

20. Tenn. Code Ann. § 48-2-109(c) provides, in pertinent part, that it is unlawful for any person to transact business from or in this state as an investment adviser unless: (1) the person is registered as an investment adviser under Title 48, Chapter 2, Part 1; (2) the person is required to register as an investment adviser pursuant to § 203 of the Investment Advisers Act of 1940, provided that an initial notice filing is filed with the Commissioner ten (10) days prior to the person's acting as an investment adviser as defined by Tenn. Code Ann. § 48-2-102(9); or (3) the person's only clients **in this state are insurance companies.**

21. Tenn. Code Ann. § 48-2-109(e) provides that the Commissioner may, after notice and an opportunity for a hearing under the Uniform Procedures Act, compiled in title 4, chapter 5, impose a fine against any person found to be in violation of this section, or any regulation, rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars (\$10,000) **per violation.**

22. Tenn. Code Ann. § 48-2-121(a) states, in pertinent part, that it is unlawful for any person, in connection with the offer, sale or purchase of any security in this state, directly or indirectly, to employ any device, scheme, or artifice to defraud, make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, or engage in any act, practice or **course of business which operates or would operate as a fraud or deceit upon any person.**

23 Respondent, while neither admitting nor denying the general stipulations, findings of fact and conclusions of law contained herein, hereby acknowledges the Commissioner's authority to administer said statute and concedes that the Commissioner's interpretation of the statute is reasonable and enforceable. Therefore, Respondent, in order to avoid any further expenses or costs associated with litigating this matter, hereby desires to enter into this Agreed Order.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and the waiver by Respondent of its rights to a hearing and appeal under the Act and Tennessee's Uniform Administrative Procedures Act, Tennessee Code Ann. §§ 4-5-101 *et seq.*, and the admission by the Respondent of the jurisdiction of the Commissioner, the Commissioner finds that the Respondent has agreed to the entry of this Order and that this Order is appropriate, in the public interest and necessary for the **protection of investors.**

IT IS ORDERED, pursuant to Tennessee Code Ann. § 48-2-116 of the Act that:

1. Respondent shall not offer or sell securities from, in or into this State without first complying with all of the applicable registration provisions of the Act and the rules and regulations **promulgated thereunder.**

2. Respondent shall not transact business in this State as a broker-dealer, investment adviser or agent thereof without first complying with all of the applicable registration provisions of the Act and the rules and regulations **promulgated thereunder.**

3. Respondent agrees to not violate any provision of the Act or any rules, regulations or orders promulgated thereunder.

4. The Respondent agrees that should it violate any term or provision of this Agreed Order, such violation shall be considered as a violation of the Act and shall subject it to any and all penalties and remedies afforded to the Division under the Act.

IT IS FURTHER ORDERED that this Agreed Order represents the complete and final resolution of and discharge of all administrative and civil, claims, demands, actions and causes of action by the Division against the Respondent for violations of the Act which relate specifically to all actions and/or omissions by the Respondent which are so described in this Agreed Order. This Agreed Order shall not be construed to apply to any other facts or circumstances other than to the actions and/or omissions of the Respondent as set forth herein.

This Agreed Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, the Respondent affirmatively states that it has freely agreed to the entry of this Agreed Order, that it has been advised that it may consult legal counsel in this matter, and has had the opportunity to consult with legal counsel should it have desired to do so, that it waives its right to a hearing on the matters underlying this Agreed Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof.

The parties, by signing this Agreed Order, affirmatively state their agreement to be bound by the terms of this Agreed Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Agreed Order, are binding upon them.

IT IS SO ORDERED.

Entered this the 18th day of June, 2003

Paula A. Flowers

Paula A. Flowers, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

James Snupperd

By: James Snupperd
Title: Managing agent, Pinnacle Dynamics
Fastgold.Net, DBA LLC
330 S. Decatur, Ste 314
Las Vegas, Nevada 89107

Daphne D. Smith

Daphne D. Smith
Assistant Commissioner for Securities
Department of Commerce and Insurance
500 James Robertson Parkway
Sixth Floor, Davy Crockett Tower
Nashville, Tennessee 37243

Kevin C. Bartels

Kevin C. Bartels (BPR # 020618)
Staff Attorney
Department of Commerce and Insurance
500 James Robertson Parkway
Davy Crockett Tower, 5th Floor
Nashville, Tennessee 37243
615 741 2199

Scott M. Hare by permission
CCB

Scott M. Hare, Esq. (PA I.D. # 63818)
Bartony & Hare, LLP
Suite 1801, 429 Fourth Avenue
Pittsburgh, Pennsylvania 15219
412 338 8632